

ASSEMBLY BILL

No. 998

Introduced by Assembly Member Kelley

February 23, 2001

An act to add and repeal Sections 17053.98 and 23612.4 of the Revenue and Taxation Code, relating to air pollution, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 998, as introduced, Kelley. Air pollution: zero-emission neighborhood electric vehicles: tax credit.

The Personal Income Tax Law and the Bank and Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, for taxpayers meeting certain criteria with respect to the purchase of zero-emission neighborhood electric vehicles, as defined, authorize a credit against those taxes for each taxable year beginning on or after January 1, 2002, in an amount equal to 30% of the total price paid by that person during the taxable year for the purchase of that vehicle, up to a maximum credit amount of \$6,000 per qualified person. The bill would also require the Franchise Tax Board to revise applicable tax return forms to allow taxpayers to claim the credit.

This bill would go into immediate effect as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.98 is added to the Revenue and
- 2 Taxation Code, to read:

1 17053.98. (a) For each taxable year beginning on or after
2 January 1, 2002, and before January 1, 2008, there shall be allowed
3 to a qualified person as a credit against the “net tax,” as defined
4 in Section 17039, an amount equal to 30 percent of the total price
5 paid by that person during the taxable year for the purchase of a
6 zero-emission Neighborhood Electric Vehicle (NEV), up to a
7 maximum credit amount of six thousand dollars (\$6,000) per
8 qualified person.

9 (b) The credit described in subdivision (a) shall be allowed in
10 the following manner:

11 (1) One-third of the amount described in subdivision (a), up to
12 a maximum of two thousand dollars (\$2,000), may be claimed by
13 any qualified person for each of the first three 12-month periods
14 after the purchase of the zero-emission NEV.

15 (2) No amount may be claimed as a credit pursuant to this
16 section following the third 12-month period after the purchase of
17 the zero-emission NEV.

18 (3) For the purposes of this subdivision, “purchase of the
19 zero-emission NEV” means the original retail purchase of the
20 zero-emission NEV from the manufacturer or dealer, and does not
21 include the resale of that vehicle.

22 (c) The Franchise Tax Board shall revise the form of all
23 applicable returns to include a space for qualified persons to
24 indicate the vehicle license number of the zero-emission NEV for
25 which that person is claiming a credit under this section.

26 (d) “Qualified person” means any person that meets all of the
27 following criteria:

28 (1) Purchases a zero-emission (NEV) on or after the operative
29 date of this section, and on or before December 31, 2005.

30 (2) Claims the credit described in this section on or before April
31 15, 2008.

32 (3) Registers the zero-emission NEV with the Department of
33 Motor Vehicles for use in the state pursuant to Division 3
34 (commencing with Section 4000) of the Vehicle Code.

35 (e) “Zero-emission neighborhood electric vehicle” or
36 “zero-emission NEV” means a personal transportation vehicle
37 that meets all of the following criteria:

38 (1) Is a two, three, or four-wheeled vehicle.

39 (2) Is powered by electricity.

40 (3) Meets all applicable federal and state safety standards.

1 (4) Is capable of traveling up to 25 miles per hour.

2 (5) Is operated on surface streets, other than a state highway,
3 that has a posted speed limit of 35 miles per hour or less.

4 (f) In the case where the credit allowed by this section exceeds
5 the “net tax,” the excess may be carried over to reduce the “net
6 tax” in the following year, and succeeding years if necessary, until
7 the credit is exhausted.

8 (g) This section shall remain in effect until December 1, 2008,
9 and as of that date is repealed.

10 SEC. 2. Section 23612.4 is added to the Revenue and Taxation
11 Code, to read:

12 23612.4. (a) For each taxable year beginning on or after
13 January 1, 2002, and before January 1, 2008, there shall be allowed
14 to a taxpayer as a credit against the “tax,” as defined in Section
15 23036, an amount equal to 30 percent of the total price paid by that
16 taxpayer during the taxable year for the purchase of a
17 zero-emission Neighborhood Electric Vehicle (NEV), up to a
18 maximum credit amount of six thousand dollars (\$6,000) per
19 taxpayer.

20 (b) The credit described in subdivision (a) shall be allowed in
21 the following manner:

22 (1) One-third of the amount described in subdivision (a), up to
23 a maximum of two thousand dollars (\$2,000), may be claimed by
24 any taxpayer for each of the first three 12-month periods after the
25 purchase of the zero-emission NEV.

26 (2) No amount may be claimed as a credit pursuant to this
27 section following the third 12-month period after the purchase of
28 the zero-emission NEV.

29 (3) For the purposes of this subdivision, “purchase of the
30 zero-emission NEV” means the original retail purchase of the
31 zero-emission NEV from the manufacturer or dealer, and does not
32 include the resale of that vehicle.

33 (c) The Franchise Tax Board shall revise the form of all
34 applicable returns to include a space for a taxpayer to indicate the
35 vehicle license number of the zero-emission NEV for which that
36 person is claiming a credit under this section.

37 (d) “Taxpayer” means any corporation that meets all of the
38 following criteria:

39 (1) Purchases a zero-emission (NEV) on or after the operative
40 date of this section, and on or before December 31, 2005.

1 (2) Claims the credit described in this section on or before April
2 15, 2008.

3 (3) Registers the zero-emission NEV with the Department of
4 Motor Vehicles for use in the state pursuant to Division 3
5 (commencing with Section 4000) of the Vehicle Code.

6 (e) “Zero-emission neighborhood electric vehicle” or
7 “zero-emission NEV” means a personal transportation vehicle
8 that meets all of the following criteria:

9 (1) Is a two, three, or four-wheeled vehicle.

10 (2) Is powered by electricity.

11 (3) Meets all applicable federal and state safety standards.

12 (4) Is capable of traveling up to 25 miles per hour.

13 (5) Is operated on surface streets, other than a state highway,
14 that has a posted speed limit of 35 miles per hour or less.

15 (f) In the case where the credit allowed by this section exceeds
16 the “tax,” the excess may be carried over to reduce the “tax” in
17 the following year, and succeeding years if necessary, until the
18 credit is exhausted.

19 (g) This section shall remain in effect until December 1, 2008,
20 and as of that date is repealed.

21 SEC. 3. This act provides for a tax levy within the meaning of
22 Article IV of the Constitution and shall go into immediate effect.

